

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 86/2

4677 HJUD HB 170 - HB 177

259

STATE OF ALASKA
THE LEGISLATURE

RECEIVED

JAN 14 1987

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 14, 1988

SUBJECT: Extension of collective bargaining rights to noncertificated employees of school districts (HB 170)

TO: Representative Dave Donley

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked for an opinion on the effect of amending the definition of "public employee" in the Public Employment Relations Act to remove the exemption for noncertificated employees of school districts. Noncertificated employees of school districts would therefore be included in the definition of "public employee." Under AS 23.40.110, a public employer is required to bargain collectively with public employees who have formed an appropriate bargaining unit. You ask what effect the language contained in sec. 4, ch. 113, SLA 1972, might have on this amendment. The language in sec. 4 permits the legislative body of an organized borough or other political subdivision of the state to adopt an ordinance or resolution rejecting application of FEERA to its employees.

The effect of amending the definition of "public employee" without amending or repealing sec. 4, ch. 113, SLA 1972, is to require political subdivisions to adopt a resolution or ordinance if they do not wish to bargain with noncertificated employees.

If I may be of further assistance, please advise.

TBC:gc
WKG1:025

JAN 18 1988



ALASKA ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
328 Fourth St., Suite #211 Juneau, Alaska 99801 586-9702

January 15, 1988

The Honorable John Sund, Chairperson
House Judiciary Committee
Pouch V
Juneau, AK 99811

RE: CSHB 170

Dear Representative Sund:

From observing the discussion and action of the committee on HB 170, there seems to be some confusion as to what the intent was and what actually happened.

The basic issue and intent was to allow non-certificated school employees the legal basis for collective bargaining.

Title 23 excludes teachers and non-certificated employees of public schools from this section of State law. Instead, Chapter 14 addresses issues regarding education matters including collective bargaining for certified employees of a school system.

It is our recommendation that all issues pertaining to school employees be addressed under the same Title 14, and that if it is considered in the best interest of non-certificated school employees to have the legal basis for collective bargaining, that it be addressed consistent with certified employees of a school district.

We strongly urge your committee to again amend CSHB170 to reflect this concern.

Sincerely,

Stephen T. McPhetres
Executive Director

STM:clc

cc: Members of Judiciary Committee:
Representative Fran Ulmer
Representative Sam Cotten
Representative Max F. Gruenberg, Jr.
Representative Mike Navarre
Representative Romona L. Barnes
Representative Robin L. Taylor

an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(2) "election" means a proceeding conducted by the labor relations agency in which the employees in a collective bargaining unit cast a secret ballot for collective bargaining representatives, or for any other purpose specified in secs. 70 - 260 of this chapter;

(3) "labor relations agency" means the state personnel board with regard to the state and employees of the state, and means the Department of Labor with regard to all other public employees and all other public employers;

(4) "organization" means a labor or employees organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of employment;

(5) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or teachers or noncertificated employees of school districts;

(6) "public employer" means the state or a political subdivision of the state, including without limitation, a town, city, borough, district, board of regents, public and quasi-public corporation, housing authority or other authority established by law, and a person designated by the public employer to act in its interest in dealing with public employees;

(7) "terms and conditions of employment" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees; but does not mean the general policies describing the function and purposes of a public employer.

Sec. 23.40.260. SHORT TITLE. Secs. 70 - 260 of this chapter may be cited as the Public Employment Relations Act.

* Sec. 3. AS 09.43.010 is amended to read:

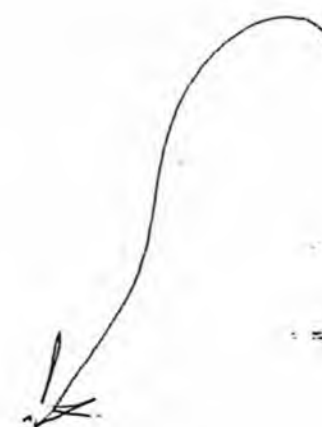
Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute.

* Sec. 4. This Act is applicable to organized boroughs and

political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, reflects having its provisions apply.

* Sec. 5. AS 23.40.010 is repealed.

"Kosloski Amendment"



PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: JUDY FERRALL

TITLE:

ADDRESS: BOX 731

CITY: WARD COVE, AK

ZIP: 99928

PHONE: N/R-

BILL NO: HB 170

SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS

MESSAGE: PLEASE SUPPORT HB170 AS WRITTEN. CLASSIFIED EMPLOYERS WOULD GREATLY BENEFIT BY THIS BILL.

POMID: 08154339

DATE: 02/10/88

TIME: 15:43:39

LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: JUDY FERRALL

TITLE:

ADDRESS: BOX 731

CITY: WARD COVE, AK

ZIP: 99928

PHONE: N/R-

BILL NO: HB 170

SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS

MESSAGE: PLEASE SUPPORT HB170 AS WRITTEN. CLASSIFIED EMPLOYERS WOULD GREATLY BENEFIT BY THIS BILL.

POMID: 08163018

DATE: 02/10/88

TIME: 16:30:18

LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLS
FURNACE
KOPONEN
MENARD

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

3

NAME: LAVERNE JOHNSON

TITLE:

ADDRESS: 1415 FAIRY CHASM

CITY: KETCHIKAN, AK

PHONE: N/R-

ZIP: 99901

BILL NO: HB 170

SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS

MESSAGE: I BELIEVE NON-CERTIFICATED SCHOOL DISTRICT EMPLOYEES SHOULD HAVE THE OPTION OF COLLECTIVE BARGAINING RIGHTS. I URGE ALL COMMITTEE MEMBERS TO SUPPORT HOUSE BILL 170.

POMID: 08101907

DATE: 02/22/88

TIME: 10:19:07

LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

*This is out
of the committee
Bill passed out
in Senate committee*

Stavi

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

2

NAME: RALPH GREGORY

TITLE:

ADDRESS: BOX 6853

CITY: KETCHIKAN, AK

PHONE: N/R-

ZIP: 99901

BILL NO: HB 170

SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS

MESSAGE: I WOULD LIKE TO ADD MY SUPPORT TO THIS BILL.

POMID: 08102928

DATE: 02/22/88

TIME: 10:29:28

LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

36-3

2/24

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: LAVERNE JOHNSON
TITLE:
ADDRESS: 1415 FAIRY CHASH
CITY: KETCHIKAN, AK ZIP: 99901
PHONE: N/R-
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: PLEASE SUPPORT HB170 AS WRITTEN. THANK YOU.

POMID: 08163337
DATE: 02/10/88
TIME: 16:33:37
LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: BETTY TALLMAN
TITLE:
ADDRESS: RT.1, BOX 1042
CITY: KETCHIKAN, AK ZIP: 99901
PHONE: N/R-
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOL
MESSAGE: PLEASE SUPPORT HB170 AS WRITTEN.

POMID: 08163440
DATE: 02/10/88
TIME: 16:34:40
LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: ED GAMBELL
 TITLE: MAYOR, CITY OF ANGOON
 ADDRESS: BOX 189
 CITY: ANGOON
 PHONE: N/R-

ZIP: 99820

BILL NO:
 SUBJECT: WELCOME
 MESSAGE: HAPPY NEW YEAR AND WELCOME BACK. ALASKA IS ON THE ROAD TO RECOVERY, AND WE IN ANGOON KNOW THAT THIS LEGISLATURE IS GOING TO MAKE THE BEST DECISIONS TO GET THE STATE MOVING AGAIN.
 I LOOK FORWARD TO WORKING WITH YOU THIS YEAR, AND I WISH YOU ALL OF THE BEST IN THIS LEGISLATIVE SESSION.

MAYOR ED GAMBELL

POMID: 00110904
 DATE: 01/11/88
 TIME: 11:09:04
 LIONAME: JUNEAU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

ADAMS	BARNES	ABOOD
BOUCHER	BOYER	BINKLEY
BROWN	CATO	COGHILL
COLLINS	COTTEN	DUNCAN
DAVIDSON	DAVIS	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FRANK	FURNACE	FAIKS
GOLL	GRUENBERG	FANNING
GRUSSENDORF	HANLEY	FISCHER
HERRMANN	HOFFMAN	HALFORD
HUDSON	KOPONEN	HENSLEY
LARSON	MARTIN	JONES
MENARD	MILLER	JOSEPHSON
NAVARRE	PEARCE	KELLY
PETTYJOHN	PHILLIPS	KERTTULA
POURCHOT	RIEGER	RODEY
SHULTZ	SPRINGER	STURGULENSKI
SWACKHAMMER	TAYLOR	SZYMANSKI
ULMER	WALLIS	UEHLING
ZAWACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: PHILLIP MYERCHIN
 TITLE:
 ADDRESS: 717 CANYON ROAD
 CITY: KETCHIKAN, ALASKA
 PHONE: 225-8786

ZIP: 99901

BILL NO: HB 170
 SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
 MESSAGE: PLEASE SUPPORT HOUSE BILL 170 WHICH GIVES SCHOOL DISTRICT EMPLOYEES THE RIGHT TO BARGAIN LABOR CONTRACTS. AS A PUBLIC SCHOOL TEACHER, I KNOW THEY WANT AND NEED THIS LEGISLATION.

POMID: 08114034
 DATE: 01/11/88
 TIME: 11:40:34
 LIONAME: KETCHIKAN LIO

COPIES: REPRESENTATIVES

BARNES
 COTTEN
 GRUENBERG
 NAVARRE
 TAYLOR
 ULMER

keth

copy

- write letter
- 2 copies of John's response
- 1 in ready file
- 1 attached to Phil's letter - subject file
- Enter in computer or give to Nettie to do!

January 13, 1988

Phillip Myerchin
717 Canyon Road
Ketchikan, Alaska 99901

Dear Mr. Myerchin:

Thank you for your public opinion message regarding House Bill 170, which would provide collective bargaining rights for noncertificated employees of school districts. I support the bill as it corrects a long-standing inequity.

This legislation came to the House Judiciary Committee, which I chair, at the very end of last session and we did not get the chance to address it. I scheduled it for hearing at the first meeting of the Committee this year, and we have moved the bill out of committee with a "do pass" recommendation.

I will support the bill when it gets to the House floor, and will do what I can to see that it makes it through the Senate as well.

Thanks again for writing. Please let me know if there is anything else I can do.

Sincerely,

John Sund
Representatives

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: SARAH MEUNIER
TITLE:
ADDRESS: PO BX 2732
CITY: KODIAK ZIP: 99615
PHONE: 486-3342
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: PLEASE SUPPORT HB 170. THIS BILL WILL ALLOW SCHOOL CLASSIFIED
EMPLOYEES TO NEGOTIATE FOR COST OF LIVING AND STEP INCREASES IN
OUR JOBS. WE HAVE NOT HAD A RAISE FOR 2 YEARS, HOWEVER OUR LIVING
EXPENSES HAVE GONE UP EACH YEAR.

POMID: 09141827
DATE: 01/12/88
TIME: 14:18:27
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES SENATOR

BARNES ZHAROFF
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

NO RESPONSE REQUIRED

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: LINDA S. BROWN
TITLE:
ADDRESS: PO BX 3135
CITY: KODIAK ZIP: 99615
PHONE: 486-4152
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: PLEASE TAKE THE TIME TO SUPPORT HB170. THIS BILL WOULD ALLOW THE
EMPLOYEES TO NEGOTIATE FOR C.O.L.A. AND STEP INCREASES THAT I FEEL
WE DESERVE. WE HAVE NOT HAD A RAISE IN TWO YEARS AND WE ARE PAYING
PARTIAL INSURANCE AND NEA DUES NOW. THANK YOU.

POMID: 09142328
DATE: 01/12/88
TIME: 14:23:28
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES SENATOR

BARNES ZHAROFF
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

NO RESPONSE REQUIRED

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: JEAN ERICKSON
TITLE:
ADDRESS: P.O. BOX 55165
CITY: NORTH POLE, AK ZIP: 99705
PHONE: 488-6244
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: PLEASE SUPPORT HB 170, BARGAINING IS ESSENTIAL.

POMID: 07101132
DATE: 01/12/88
TIME: 10:11:32
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES

ULMER
COTTEN
GRUSSENDORF
NAVARRE
BARNES
TAYLOR

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: VERNA SWANSON
TITLE: CLASSIFIED EMPLOYEE
ADDRESS: BOX 2666
CITY: KODIAK ZIP: 99615
PHONE: 486-3351
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: AS A CLASSIFIED EMPLOYEE, I SUPPORT HB170. ALL EMPLOYEES DESERVE THE RIGHT TO FAIRNESS. WORKERS ATTITUDES AND JOB PERFORMANCES IMPROVE WHEN THEY HAVE THE SECURITY OF A CONTRACT AND A VOICE IN THE ARBITRATION PROCESS. THANKS FOR HELPING US RETAIN THOSE RIGHTS.

POMID: 09132555
DATE: 01/12/88
TIME: 13:25:55
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES SENATOR

BARNES ZHAROFF
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: CLAUDIA DOUGLAS
TITLE:
ADDRESS: P.O. BOX 74837
CITY: FAIRBANKS ZIP: 99707
PHONE: 456-4435
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: I URGE YOU TO SUPPORT HB170 WHICH WOULD GIVE THE FAIRBANKS
NORTH STAR BOROUGH SCHOOL DISTRICT CLASSIFIED PERSONNEL THE RIGHT TO
ARGAIN. THIS IS THE ONLY FAIR WAY TO SUPPORT THIS GROUP OF PUBLIC
EMPLOYEES. THANK YOU.

POMID: 07140923
DATE: 01/12/88
TIME: 14:09:23
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: BERTHA MALUTIN
TITLE:
ADDRESS: PO BX 525
CITY: KODIAK ZIP: 99615
PHONE: 486-3681
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: THIS IS AMERICA. ALL ALASKAN'S SHOULD HAVE THE SAME RIGHTS. I THINK
IT IS VERY IMPORTANT TO BE ABLE TO STRIKE AND OR HAVE BINDING
ARBITRATIONS IF NECESSARY FOR ALL PUBLIC EMPLOYEE'S.

POMID: 09141122
DATE: 01/12/88
TIME: 14:11:22
LIONAME: KODIAK LIO

COPIES: REPRESENTATIVES SENATOR

BARNES ZHAROFF
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER
BOUCHER
DAVIDSON
DONLEY
ELLIS
FURNACE
KOPONEN
MENARD

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: DAPHNE HOFSCHULTE
TITLE: TEACHER, FNSB SCHOOL DISTRICT
ADDRESS: P.O. BOX 55226
CITY: NORTH POLE, AK ZIP: 99705
PHONE: 488-2251
BILL NO: HB 170
SUBJECT: COLL. BARGAINING; MUNICIPALITIES/SCHOOLS
MESSAGE: WHEN TIMES ARE TOUGH, ALL SCHOOL DISTRICT EMPLOYEES NEED A VOICE
IN BARGAINING JUST TO BE ABLE TO SURVIVE. PLEASE SUPPORT HB 170.

POMID: 07080129
DATE: 01/12/88
TIME: 08:01:29
LIONAME: FAIRBANKS LIO

COPIES: REPRESENTATIVES

BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE SUND

NAME: DON OBERG
TITLE:
ADDRESS: BOX 1084
CITY: KENAI ZIP: 99611
PHONE: N/R-
BILL NO: HB 130
SUBJECT: LABOR NEGOTIATIONS BY EDUCATION EMPLOYEES
MESSAGE: I URGE YOU TO SUPPORT THIS, IT'S GOOD PUBLIC POLICY.

POMID: 13082726
DATE: 01/12/88
TIME: 08:27:26
LIONAME: SOLDOTNA LIC

COPIES: REPRESENTATIVES


BARNES
COTTEN
GRUENBERG
NAVARRE
TAYLOR
ULMER

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative John Sund, Chairman
Members of House Judiciary Committee

FROM: Scott A. Burgess, Executive Director 
Alaska Municipal League

DATE: January 13, 1988

SUBJECT: HB 170 - Collective Bargaining; Municipalities/Schools

The Alaska Municipal League, on behalf of its 135 member municipalities, is opposed to HB 170 removing the exemption for municipalities from the Public Employees Relocations Act (PERA) and requiring that municipalities and school districts grant their employees the right to strike or submit to binding arbitration.

I have attached a copy of the testimony presented to the House Labor and Commerce Committee hearing on HB 170 during the First Session. The AML Policy Statement language opposing mandatory compliance with PERA and binding arbitration referred to in the written testimony was reaffirmed at the annual conference in Anchorage last November and remains unchanged.

To summarize, binding arbitration is not required for effective collective bargaining. In fact, arguments can be made that it circumvents the process of fair and reasonable negotiation. Many municipalities provide for collective bargaining but retaining the fiscal responsibility in the hands of the elected body is critical to financial management. Finally, public employees have recourse to address their concerns through their elected officials, the electoral process, and the initiative and relocation process.

Again, Alaska Municipal League opposes HB 170.

SAB:rw

Attachment

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Dave Donley, Chair
Members of the House Labor and Commerce Committee

FROM: Scott A. Burgess, Executive Director *SAB*

DATE: March 19, 1987

SUBJECT: HB 170 - Mandatory PERA for Municipalities and School Districts

The Alaska Municipal League is opposed to HB 170 based on the language cited below from the AML 1987 Policy Statement (page 22), adopted by the membership at the 1986 annual meeting in Juneau in November:

"Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes, just as strongly, any legislative efforts to dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at any time to reject or withdraw from the terms of the Alaska Public Employees Relations Act."

"Binding Arbitration: The League opposes legislation imposing binding arbitration on local governments and school districts. Binding arbitration hinders local elected officials' ability to determine their personnel costs and prevents local governments from having complete control of determining the local tax rate. The scope of decisions with regard to what local government can afford for labor is best left to the local bodies possessing that knowledge."

These are long-standing policies of the AML. Legislation similar to this have been introduced into the Alaska State Legislature perennially, and the AML and its over 120 municipal members have opposed it each time. The concern and opposition by local governments to mandating participation in PERA, and thereby requiring the ability to strike or binding arbitration as a final step in the negotiating process for municipal employees and teachers, only increases as salaries and benefits have increased. Many of the increases in benefits, at least, have resulted from action by the Legislature, and over which the municipalities have no control. The potential limits on local officials' ability to control their budgets presented by HB 170 is an even greater concern when federal and state assistance to municipalities continues to decrease and municipalities have had to increase taxes and/or reduce services.

AML Testimony on HB 170
March 19, 1987
Page 2

I have attached a copy of a letter received this year from the City of Wrangell stating their opposition to HB 170. Additional correspondence in opposition to similar legislation, proposed in the past, is also available to the Committee, if requested. I have also attached position papers on mandatory PERA for local employees and on binding arbitration for teachers developed by the AML Legislative Committee last year for similar legislation. Finally, I have summarized below some of the major reasons for the local governments' opposition to the legislation for the Committee:

1. Municipalities are opposed, generally, to State mandates on local governments which remove local control and increase cost without remuneration by the State.
2. Mandating PERA, or the adoption of ordinances with the same effect, removes the power of the elected representatives at the local level to set policy and budgets by balancing the resources and needs of the whole community rather than one segment - public employees.
3. Public employees and teachers have recourse through their elected officials on the city council or borough assembly or school boards to address specific concerns, or to influence voters to elect representatives who are more sympathetic to their positions
4. Public employees can put collective bargaining before the local voters and the assembly or council through the initiative and referendum process.
5. The public sector is different from the private sector in terms of the services provided, civil service protections, and their access to, and the responsibility of, the elected officials.
6. Many municipalities provide for collective bargaining but the final agreement as to terms and conditions of employment, including salaries is subject to approval of the city council or the school board.

The League strongly opposes HB 170. Thank you.

Attachment

Position Paper
of
AML Legislative
Subcommittee on Education
March 1986

RE: Proposed Legislation Relating to Local Governments
and Alaska Public Employees Labor Relations Act.

The 1986 Alaska Municipal League Policy, Part VIII, Local Government Powers, Section B(1), Alaska Public Employees Relations Act states "the League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. In addition, the League opposes just as strongly, any legislative efforts to dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at anytime to reject or withdraw from the terms of the Alaska Public Employees Relation Act." In addition, Section B(2) states, that the League also opposes any legislation which forces municipalities to develop collective bargaining procedures ending in strike or binding arbitration. The following is in support of the League position:

1. Binding arbitration/PERA limits the authority of the Council/Assembly. If wages are set by binding arbitrator, the Council/Assembly has to work any arbitration wage increases into the budget. If it is necessary to make cuts, cuts must be made in areas other than the arbitrated wages. The Council/Assembly would no longer have the authority to determine wages or control budgets.
2. Arbitrators tend to be from outside and do not have to deal with the overall budget or raise the funds to finance employee costs.
3. Municipal employees do have recourse -- the election process. They can influence voters to elect Council/Assembly members supportive of their positions. Also, employees still have the right to form employee organizations.
4. Each municipality is unique and should be allowed to handle collective bargaining in a manner that fits the community. Large communities have employee circumstances that are very different from small, and rural is different than urban. In addition, most of our local governments in Alaska are small, population under 1000, and there are not many staff members in any one category. This makes collective bargaining extremely impractical.
5. The provisions of PERA or binding arbitration are costly. There is the cost of the negotiation process itself. Municipalities in general do not have excess staff or staff time to prepare bargaining positions. Cost of hiring a negotiator is beyond most local budgets.

6. Government wages in Alaska tend to exceed those of private business and industry. Therefore, employees seem to be doing well without the added regulation.
7. In a time of funding cutbacks, increasing the cost of government doing business does not make much sense.
8. In regard to strikes, if a strike provision would ever be required, the municipality as an employer should have the same options that exist in private industry; for example, the employer (the municipality) should be able to continue services and hire others if employees strike.

In the end, it is, of course, the taxpayer who must bear any financial burden. The taxpayer now has control through the election process. With binding arbitration, the taxpayer gives up this control to the employee and arbitrator.

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929

(907) 874-2381



ADOPTED AUGUST 1972

March 13, 1987

Representative John Sund
Chairman, House Judiciary
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: House Bill No. 170 relating to
PERA, Right to Strike or Binding Arbitration

Dear Sir:

The City of Wrangell is strongly opposed to House Bill No. 170. As written, the Bill would bring municipalities under the State Public Employment Relations Act (PERA) unless a local ordinance was enacted to permit collective bargaining with the right to strike or binding arbitration as the final step in the negotiation process. It also adds the right to strike for teachers if their contract does not provide for binding arbitration.

In 1972, the Legislature recognized the financial impact PERA could have on municipalities, as well as the need for local control, and provided that we could opt out of the Act by adoption of a Resolution or Ordinance. Recognizing the economic and social impact the Act could have on services provided to the public, the Wrangell City Council did opt out of the Act in the best interests of the taxpayers.

The Wrangell city employees are currently receiving wages and benefits that match or exceed those received by the private major industry employees in our community. We need not remind you that the non-governmental employees in our community are the very taxpayer that must bear the burden of government wages and benefits. While it is recognized that public employees received greater benefits than private employees for many years due to their lower wages, this is no longer true. In many cases (if not most) public employees far exceed private employees in both benefits and wages. The State, in fact, has several employees that receive a higher annual salary than the Governor, some of which were achieved through PERA.

The threat of strike or binding arbitration would place an unfair burden on local government. Unlike private industry, a government employee strike can effect the health and welfare of an entire community

CITY OF WRANGELL, ALASKA

Representative John Sund
March 13, 1987
Page Two

by reducing or completely stopping public services. Binding arbitration can take away the City Council's ability to set the mill levy and utility rates in a reasonable, equitable manner for all of the residents.

A greater burden is already being shifted to the local taxpayers through reductions in State funding and loss of Federal Shared Revenue. A Bill is now before you that repeals the senior citizen/disabled veteran property tax exemption and forces the local taxpayer to absorb the loss or turn their back on so many seniors living on limited incomes needing this exemption.

We urge defeat of House Bill No. 170 Which will only place a greater burden on local taxpayers.

Sincerely,



Joyce Rasler
City Manager

JR:fv

cc: Representative Robin Taylor
Senator Lloyd Jones
Alaska Municipal League
Wrangell City Council
Wrangell School Board

TESTIMONY BEFORE THE HOUSE JUDICIARY COMMITTEE
IN SUPPORT
OF
H. B. 170

January 13, 1988

The legislature, in passing the Public Employment Relations Act, recognized the right of public employees to organize for the purpose of collective bargaining. In so doing, the legislature found that the enactment of positive legislation establishing the guidelines for public employment relations is the best way to harness and direct the energies of public employees eager to have a voice in determining their conditions of work, to provide a rational method for dealing with disputes and work stoppages, and to maintain a favorable political and social environment.

The policies are to be affected by:

- 1) recognizing the right of public employees to organize for the purpose of collective bargaining;
- 2) requiring public employees to negotiate with and enter into written agreements with employee organizations on matters of wages, hours and other terms and conditions of employment.

Although it is the public policy of the State of Alaska to promote harmonious and cooperative relations between government and its employees, non-certificated school district employees have not been included in this legislative intent. 4500 to 5000 non-certificated school district employees do not enjoy the same rights afforded most other public employees in the State of Alaska. The passage of H.B. 170 by this august body and subsequently the Senate (barring no gubernatorial veto) would give this group of employees equity with other public employees throughout the State of Alaska.

Joint decision-making has been found to raise employee responsiveness and morale. It provides for a better exchange of ideas and information. The establishment of guidelines for employer-employee relations is highly necessary in order to achieve equality at the negotiations table and to provide a method for dealing with disputes arising from representative elections, collective bargaining, and administration of the negotiated agreement. H.B. 170 will achieve these objectives.

This legislation will provide a basis for orderly, equitable and sensible resolution of the basic and subsidiary issues raised in a dispute over representation. These can be especially delicate in situations where there are two or more organizations competing for status as the negotiated representative and the school board finds itself in the middle.

If the representative election is truly to reflect non-certificated school district employees' free choice, and if the system of collective negotiations is conducted properly, it is essential that the rights of non-certificated school district employees to organize, to participate in collective negotiations through a representative of their own choosing, and to engage in activities related to the negotiation process be guaranteed by statute. Abridgement by denial of permanent job status, discriminatory transfers, adverse performance ratings, and all other repressive devices, sometimes resorted to by employers in the exercise of power over their employees, are injustices which must be remedied and those employee rights protected. Again, H.B. 170 will meet these needs.

More specifically, and speaking to the above, non-certificated school district employees feel strongly the need for mandatory recognition of their organizations. The following reasons address the need:

1. Status of current recognition is tenuous at best without a mandatory provision of law.
2. Lack of equality at the bargaining table due to absence of guidelines as to what is "good faith" bargaining.
3. No labor relations agency to which to turn for the purpose of resolving disputes over collective bargaining or organizational representation.
4. Inability to enforce provisions of the negotiated agreement in critical situations.

In summary, non-certificated school district employees are seeking inclusion under the Public Employment Relations Act for the purpose of securing equality at the bargaining table, equity with other public employees (including teachers), enforceable contract administration, and providing finality to the collective bargaining process, either through the right to strike or binding arbitration.

Bill No. House Bill 170

Date March 19, 1967

Title "An Act relating to participation of municipalities, school districts, and other political subdivisions under the Public Employment Relations Act and to collective bargaining rights of school district employees."

Contact: Tom Stuart
465-4370

Eileen Plate
465-2700

House Bill 170 proposes several changes to Alaska's laws which relate to collective bargaining rights of public employees.

Specifically, House Bill 170:

1. Extends to teachers the same rights to strike as is afforded other public employees, if their contracts do not provide for binding arbitration as a final step in the negotiating process;
2. Strengthens the Public Employment Relations Act by permitting political subdivisions to opt not to be covered by the Act only if they have an ordinance which permits collective bargaining with either the right to strike or binding arbitration as a final step in the negotiating process. Currently political subdivisions which do not permit collective bargaining may opt not to be covered by the Public Employment Relations Act; and
3. Extends coverage under the Public Employment Relations Act to non-certificated school employees. These non-certificated employees are not presently covered by the Act.

Presently there are approximately 30,600 local government employees in Alaska. Of this number:

- 3300 are currently covered by the Public Employment Relations Act (City of Fairbanks, Fairbanks North Star Borough, Petersburg, City of Ketchikan, and Unalaska)
- 10,750 are covered by municipal labor relations agencies under local ordinances, (Anchorage and the City and Borough of Juneau)
- 4500 are covered by a loose knit form of representation with the employer's consent, but are not covered by the state's labor relations agency or a municipal labor relations agency). (Kenai Peninsula Borough, City and Borough of Kodiak, Valdez/Cordova, and the Mat-Su Borough)

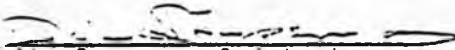
Approximately 3,050 of the remaining 11,050 employees are employees of larger municipalities or organized boroughs which presently do not have any representation, but likely would opt for local control if the provisions of this bill are enacted. An additional 9,000 public employees would, therefore, be covered by the Public Employment Relations Act, and the Department of Labor, as the Labor Relations Agency, would provide services to them.

POSITION PAPER/Department of Labor

The provisions of House Bill 170 would extend the same rights to bargain collectively to all public employees; and decisions as to whether a group of workers would avail themselves of the collective bargaining process would be made by the workers. Presently, such decisions may be arbitrarily made by political subdivisions without any worker participation.

The Department of Labor supports the provisions of House Bill 170.

APPROVED:


Jim Sampson, Commissioner
Department of Labor

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "Al. act relating to the Public
Employment Relations Act."
Sponsor: Labor and Commerce Committee
Requestor: House Judiciary

Agency Affected: Labor
BRU: Labor Standards and Safety
Components: Wage and Hour

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		43.6	43.6	43.6	43.6	43.6
TRAVEL		11.0	11.7	8.0	8.2	8.4
CONTRACTUAL		25.9	26.6	16.8	17.3	17.8
SUPPLIES		.7	.7	.8	.8	.8
EQUIPMENT		1.6	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	82.8	82.6	69.2	69.9	70.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		82.8	82.6	69.2	69.9	70.6
FEDERAL FUNDS						
OTHER						
TOTAL	0	82.8	82.6	69.2	69.9	70.6

POSITIONS:

FULL-TIME	0	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

(See attached)

Prepared by: Tom Stuart, Director
Division: Labor Standards and Safety
Approved by Commissioner: Jim Sampson
Agency: Labor

Phone: 264-2452
Date: 1/14/88
Date: 1/14/88

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE ANALYSIS
For CSHB 170 (Jud)

Under the provisions of this bill one new position, a Wage and Hour Investigator I located in Anchorage, will be necessary to handle the increase in workload. Additionally, a contractual hearing officer will be required to perform adjudication functions when necessary. The anticipated costs for the first two years are summarized as follows:

	<u>FY 89</u>	<u>FY 90</u>
<u>Personnel Services</u>		
One new employee	43.6	43.6
 <u>Travel</u>		
New Wage & Hour Investigator	7.5	7.7
Contractual Hearing Officers	3.5	4.0
	-----	-----
Subtotal	11.0	11.7
 <u>Contractual Services</u>		
Hearing Officer	10.0	10.3
Printing	1.5	1.5
Transcription Services	3.0	3.1
Rent	3.2	3.3
Indirect	4.2	4.3
Miscellaneous	4.0	4.1
	-----	-----
Subtotal	25.9	26.6
 <u>Commodities</u>	.7	.7
 <u>Equipment</u>	1.6	-0-
	-----	-----
TOTAL:	82.8	82.6

After the first two years we anticipate most of the organizational activities in the communities will be complete. Thus, in FY 91 and beyond the program should be able to be handled by the new position. The hearing officers and related costs would then be eliminated.

Assumptions:

- 1) An effective date of July 1, 1988.
- 2) Inflation of 3% per year in FY's 90-93 in non-personal service items.

Position Title Wage and Hour Investigator		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Justification		
1	2	3		
Salary	32,424	This position will perform a variety of labor relations duties. The person will investigate petitions for collective bargaining, investigate complaints of unfair labor practice, provide informal resolution to unfair labor practice complaints, and investigate challenges to elections. The position will also conduct elections, certify elections, and provide education and information on the Public Employment Relations Act to employees and employers.		
Benefits	11,211			
Premium Pay				
Other				
Total Personal Services		43,635	Travel costs are for travel to the various locations around the State where public employee labor relations activity would be required.	
Travel		7,500		
Contractual		15,900		
Commodities		700		
Equipment		1,600		
Other				
Total Cost		69,335	Contractual and commodity costs are average per-employee costs. Equipment would be a one-time expense for desk, chair, cabinets, etc.	
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	69,335		
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

Page 3 of 3
 Revised Date

FY 89

BILL: HB 170

12:55 PM 01/06/88

NAME:

TITLE: "AN ACT RELAYING TO PARTICIPATION OF MUNICIPALITIES,
SCHOOL DISTRICTS, AND OTHER POLITICAL SUBDIVISIONS
UNDER THE PUBLIC EMPLOYMENT RELATIONS ACT AND TO
COLLECTIVE BARGAINING RIGHTS OF SCHOOL DISTRICT
EMPLOYEES."

PRIME SPONSOR: LABOR & COMMERCE COMMITTEE

CURRENT STATUS: (H) JUD

STATUS DATE: 05/05/87

03/06/87	(H)	416	READ THE FIRST TIME - REFERRAL(S)
03/06/87	(H)	416	LABOR & COMMERCE, HESS, JUDICIARY
03/20/87	(H)	577	L&C RPT 6DP 1NR
03/20/87	(H)	577	FISCAL NOTE PUBLISHED 3/20/87
03/20/87	(H)	577	ZERO FISCAL NOTE PUBLISHED 3/20/87
05/05/87	(H)	1139	HES RPT CS(HESS) NEW TITLE 4DP 2DNP 1NR
05/05/87	(H)	1139	REFERRED TO JUDICIARY

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act Relating To... The
Public Employment Relations Act."
Sponsor: Labor and Commerce Committee
Requestor: House-Judiciary

Agency Affected: Labor
BRU: Labor Standards and Safety
Components: Wage and Hour

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		43.6	43.6	43.6	43.6	43.6
TRAVEL		11.0	11.7	8.0	8.2	8.4
CONTRACTUAL		25.9	26.6	16.8	17.3	17.8
SUPPLIES		7	7	8	8	8
EQUIPMENT		1.6	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	82.8	82.6	69.2	69.9	70.6

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	82.8	82.6	69.2	69.9	70.6
FEDERAL FUNDS						
OTHER						
TOTAL	0	82.8	82.6	69.2	69.9	70.6

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
Division: Labor Standards and Safety Date: 1/12/88

Approved by Commissioner: Jim Sampson Date: 1/12/88
Agency: Labor

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

FISCAL NOTE ANALYSIS
For CSHB 170 (HESS)

Under the provisions of this bill one new position, a Wage and Hour Investigator I located in Anchorage, will be necessary to handle the increase in workload. Additionally, a contractual hearing officer will be required to perform adjudication functions when necessary. The anticipated costs for the first two years are summarized as follows:

	<u>FY 89</u>	<u>FY 90</u>
<u>Personnel Services</u>		
One new employee	43.6	43.6
 <u>Travel</u>		
New Wage & Hour Investigator	7.5	7.7
Contractual Hearing Officers	3.5	4.0
	----	----
Subtotal	11.0	11.7
 <u>Contractual Services</u>		
Hearing Officer	10.0	10.3
Printing	1.5	1.5
Transcription Services	3.0	3.1
Rent	3.2	3.3
Indirect	4.2	4.3
Miscellaneous	4.0	4.1
	----	----
Subtotal	25.9	26.6
 <u>Commodities</u>	.7	.7
 <u>Equipment</u>	1.6	-0-
	----	----
TOTAL:	82.8	82.6

After the first two years we anticipate most of the organizational activities in the communities will be complete. Thus, in FY 91 and beyond the program should be able to be handled by the new position. The hearing officers and related costs would then be eliminated.

Assumptions:

- 1) An effective date of July 1, 1988.
- 2) Inflation of 3% per year in FY's 90-93 in non-personal service items.

Position Title Wage and Hour Investigator		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Amount		
1	2	3		
Salary	32,424			
Benefits	11,211			
Premium Pay				
Other				
Total Personal Services		43,635		
Travel		7,500		
Contractual		15,900		
Commodities		700		
Equipment		1,600		
Other				
Total Cost		69,335		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	69,335		
GF Program Receipts	1005			
Other				

Justification

This position will perform a variety of labor relations duties. The person will investigate petitions for collective bargaining, investigate complaints of unfair labor practice, provide informal resolution to unfair labor practice complaints, and investigate challenges to elections. The position will also conduct elections, certify elections, and provide education and information on the Public Employment Relations Act to employees and employers.

Travel costs are for travel to the various locations around the State where public employee labor relations activity would be required.

Contractual and commodity costs are average per-employee costs. Equipment would be a one-time expense for desk, chair, cabinets, etc.

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

Page 3 of 3
 Revised Date

FY 89

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: CSHB 170 (HESS)
Publish Date: _____

REQUEST: _____

Revision Date: _____
Title: "An Act relating to...the
Public Employment Relations Act."
Sponsor: Labor and Commerce Committee
Requestor: House (HESS)

Agency Affected: Labor
BRU: Labor Standards and Safety

Components: Wage and Hour

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		67.6	67.6	67.6	67.6	67.6
TRAVEL		12.5	12.9	8.0	8.2	8.5
CONTRACTUAL		42.8	44.1	33.8	34.8	35.9
SUPPLIES		1.4	1.4	1.5	1.5	1.6
EQUIPMENT		3.2	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	127.5	126.0	110.9	112.1	113.6

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		127.5	126.0	110.9	112.1	113.6
FEDERAL FUNDS						
OTHER						
TOTAL	0	127.5	126.0	110.9	112.1	113.6

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: Tom Stuart, Director
Division: Labor Standards and Safety

Phone: 465-4870
Date: 5/04/87

Approved by Commissioner: Jim Sampson
Agency: Labor

Date: 5/04/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

FISCAL NOTE ANALYSIS
For CSHB 170(HESS)

Under the provisions of this bill the department would be required to provide labor relations services to approximately 9,000 local government employees under the Public Employment Relations Act (PERA). Two new positions, a Wage and Hour Investigator I and Clerk Typist III, both located in Anchorage, would be necessary to handle the increase in workload. Additionally, a contractual hearing officer would be required to perform adjudication functions when necessary. The anticipated costs for the first two years are summarized as follows:

	<u>FY 88</u>	<u>FY 89</u>
<u>Personnel Services</u>		
Two new employees	67.6	67.6
<u>Travel</u>		
New Wage & Hour Investigator	7.5	7.7
Contractual Hearing Officers	<u>5.0</u>	<u>5.2</u>
S/T	12.5	12.9
<u>Contractual Services</u>		
Hearing Officer	10.0	10.3
Printing	5.6	5.8
Transcription Service	3.0	3.1
Legal Services	2.0	2.1
Rent	6.4	6.5
Indirect	6.8	7.0
Miscellaneous	<u>9.0</u>	<u>9.3</u>
S/T	42.8	44.1
<u>Commodities</u>	1.4	1.4
<u>Equipment</u>	<u>3.2</u>	<u>-0-</u>
TOTAL:	127.5	126.0

After the first two years we anticipate most of the organizational activity in the communities will be complete. Thus, in FY 90 and beyond the program should be able to be handled by the two new positions. The hearing officers and related costs would then be eliminated.

Assumptions:

- 1) Of approximately 30,600 local government employees in Alaska, 21,600 are currently covered by some form of collective bargaining and would fall within the group currently covered by the Public Employment Relations Act or work for an employer who would most likely opt for a local ordinance. This leaves approximately 9,000 employees in the state for the department's Labor Relations Agency to oversee. These employees are predominantly in the rural areas of the State.
- 2) An effective date of July 1, 1987.
- 3) Inflation of 3% per year in FY's 89-92 in non-personal service items.

Position Title Clerk Typist III			No. of Positions 1	Range/Step 8A	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.		
Type of Expenditure			Justification					
Amount			<p>This position will function as the clerical member of the Department of Labor's Labor Relations Agency. The position will be responsible for preparing and typing correspondence, and maintaining collective bargaining records as they apply to petitions, certification/decertification of bargaining units, and complaints of unfair labor practices. Also, the position will act as recorder for the Labor Relations Agency/ Board during board proceedings.</p> <p>Costs associated with this position are average per-position costs, plus one-time equipment expense of \$1,600 for a desk, chair, etc.</p>					
1	2	3						
Salary	19,572							
Benefits	5,872							
Premium Pay								
Other								
Total Personal Services		25,444						
Travel		0						
Contractual		15,544						
Commodities		700						
Equipment		1,600						
Other								
Total Cost		43,288						
Receipt Code	Funding Source							
	Federal Receipts 1002							
	G. F. Match 1003							
	General Funds 1004		43,288					
	I-A Receipts 1005							
	Program Receipts 1028							
	CIP Receipts 1061							
	Other							
For B&M Use Only								
Key Number								

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

Page 3 of 4
 Revised Date

FY 87

Position Title Wage and Hour Investigator			No. of Positions 1	Range/Step 16A	Barg. Unit GGU	Gov.	Approved	Disapp.	
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.			
Type of Expenditure			Justification						
		Amount	<p>This position will perform a variety of labor relations duties. The person will investigate petitions for collective bargaining, investigate complaints of unfair labor practice, provide informal resolution to unfair labor practice complaints, and investigate challenges to elections. The position will also conduct elections, certify elections, and provide education and information on the Public Employment Relations Act to employees and employers.</p> <p>Travel costs are for travel to the various locations around the State where public employee labor relations activity would be required.</p> <p>Contractual and commodity costs are average per-employee costs. Equipment would be a one-time expense for desk, chair, cabinets, etc.</p>						
1	2	3							
Salary	32,424								
Benefits	9,727								
Premium Pay									
Other									
Total Personal Services		42,151							
Travel		7,500							
Contractual		17,200							
Commodities		700							
Equipment		1,600							
Other									
Total Cost		69,151							
Receipt Code	Funding Source								
	Federal Receipts	1002							
	G. F. Match	1003							
	General Funds	1004							69,151
	I-A Receipts	1005							
	Program Receipts	1028							
	CIP Receipts	1061							
	Other								
For B&M Use Only Key Number _____									

**Request For
New Position**

Agency Labor
 B&U Labor Standards and Safety
 Component Wage and Hour

Page 4 of 4
 Revised Date

FY 87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 170
Publish Date: _____

REQUEST: _____
Revision Date: _____
Title: "An Act relating to ... the
Public Employment Relations Act."
Sponsor: Labor and Commerce Committee
Requestor: House Labor and Commerce

Agency Affected: Labor
BRU: Labor Standards and Safety
Components: Wage and Hour

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		67.6	67.6	67.6	67.6	67.6
TRAVEL		12.5	12.9	8.0	8.2	8.5
CONTRACTUAL		42.8	44.1	33.8	34.8	35.9
SUPPLIES		1.4	1.4	1.5	1.5	1.6
EQUIPMENT		3.2	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	127.5	126.0	110.9	112.1	113.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		127.5	126.0	110.9	112.1	113.6
FEDERAL FUNDS						
OTHER						
TOTAL	0	127.5	126.0	110.9	112.1	113.6

POSITIONS:

FULL-TIME	0	2	2	2	2	2
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: AS Tom Stuart, Director *[Signature]* Phone: 465-4870
Division: Labor Standards and Safety Date: 3/17/87
Approved by Commissioner: AS Jim Samson *[Signature]* Date: 3/17/87
Agency: Labor

- Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

FISCAL NOTE ANALYSIS
For HB 170

Under the provisions of this bill the department would be required to provide labor relations services to approximately 9,000 local government employees under the Public Employment Relations Act (PERA). Two new positions, a Wage and Hour Investigator I and Clerk Typist III, both located in Anchorage, would be necessary to handle the increase in workload. Additionally, a contractual hearing officer would be required to perform adjudication functions when necessary. The anticipated costs for the first two years are summarized as follows:

	<u>FY 88</u>	<u>FY 89</u>
<u>Personnel Services</u>		
Two new employees	67.6	67.6
<u>Travel</u>		
New Wage & Hour Investigator	7.5	7.7
Contractual Hearing Officers	5.0	5.2
S/T	<u>12.5</u>	<u>12.9</u>
<u>Contractual Services</u>		
Hearing Officer	10.0	10.3
Printing	5.6	5.8
Transcription Service	3.0	3.1
Legal Services	2.0	2.1
Rent	6.4	6.5
Indirect	6.8	7.0
Miscellaneous	9.0	9.3
S/T	<u>42.8</u>	<u>44.1</u>
<u>Commodities</u>	1.4	1.4
<u>Equipment</u>	<u>3.2</u>	<u>-0-</u>
TOTAL:	127.5	126.0

After the first two years we anticipate most of the organizational activity in the communities will be complete. Thus, in FY 90 and beyond the program should be able to be handled by the two new positions. The hearing officers and related costs would then be eliminated.

Assumptions:

- 1) Of approximately 30,600 local government employees in Alaska, 21,600 are currently covered by some form of collective bargaining and would fall within the group currently covered by the Public Employment Relations Act or work for an employer who would most likely opt for a local ordinance. This leaves approximately 9,000 employees in the state for the department's Labor Relations Agency to oversee. These employees are predominantly in the rural areas of the State.
- 2) An effective date of July 1, 1987.
- 3) Inflation of 3% per year in FY's 89-92 in non-personal service items.

Position Title Clerk Typist III			No. of Positions 1	Range/Step 8A	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.		
Type of Expenditure			Justification					
1		2	3					
Salary		19,572	This position will function as the clerical member of the Department of Labor's Labor Relations Agency. The position will be responsible for preparing and typing correspondence, and maintaining collective bargaining records as they apply to petitions, certification/decertification of bargaining units, and complaints of unfair labor practices. Also, the position will act as recorder for the Labor Relations Agency Board during board proceedings.					
Benefits		5,872						
Premium Pay								
Other								
Total Personal Services		25,444						
Travel		0	Costs associated with this position are average per-position costs, plus one-time equipment expense of \$1,600 for a desk, chair, etc.					
Contractual		15,544						
Commodities		700						
Equipment		1,600						
Other								
Total Cost		43,288						
Receipt Code		Funding Source						
		Federal Receipts 1002						
		G. F. Match 1003						
		General Funds 1004		43,288				
		I-A Receipts 1005						
		Program Receipts 1028						
		CIP Receipts 1061						
		Other						
For B&M Use Only								
Key Number								

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

Page 3 of 4
 Revised Date

FY 87

Position Title Wage and Hour Investigator			No. of Positions 1	Range/Step 16A	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.		
Type of Expenditure			Justification					
		Amount	<p>This position will perform a variety of labor relations duties. The person will investigate petitions for collective bargaining, investigate complaints of unfair labor practice, provide informal resolution to unfair labor practice complaints, and investigate challenges to elections. The position will also conduct elections, certify elections, and provide education and information on the Public Employment Relations Act to employees and employers.</p> <p>Travel costs are for travel to the various locations around the State where public employee labor relations activity would be required.</p> <p>Contractual and commodity costs are average per-employee costs. Equipment would be a one-time expense for desk, chair, cabinets, etc.</p>					
1	2	3						
Salary	32,424							
Benefits	9,727							
Premium Pay								
Other								
Total Personal Services		42,151						
Travel		7,500						
Contractual		17,200						
Commodities		700						
Equipment		1,600						
Other								
Total Cost		69,151						
Receipt Code	Funding Source							
	Federal Receipts 1002							
	G. F. Match 1003							
	General Funds 1004		69,151					
	I-A Receipts 1005							
	Program Receipts 1028							
	CIP Receipts 1061							
	Other							
For B&M Use Only Key Number								

**Request For
New Position**

Agency Labor
 BRU Labor Standards and Safety
 Component Wage and Hour

Page 4 of 4
 Revised Date

FY 87

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: HB-170

Publish Date: _____

Revision Date: _____

Agency Affected: Education

Title: ...collective bargaining rights
of school district employees.

BRU: _____

Sponsor: House Labor and Commerce

Components: _____

Requestor: House Labor and Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

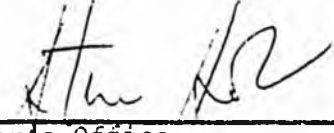
GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The bill has no fiscal impact on this department.

Prepared by: Steve Hole 
Division: Commissioner's Office

Phone: 465-2800
Date: March 13, 1987

Approved by Commissioner: Marshall Lind
Agency: Education

Date: March 13, 1987

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/20/87

FURTHER REFERRALS: Judiciary

DATE: 5-5-87

The Health, Education and Social Services Committee has considered HB 170

"An Act relating to participation of municipalities, school districts, and other political subdivisions under the Public Employment Relations Act and to collective bargaining rights of school district employees."

RECOMMENDS:

- replace with CSHB 170 the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 3/17/87
- zero fiscal note same as previous zero fiscal note published 3/13/87
- zero with analysis

SIGNING DO PASS:

[Signature]
Nilda Koroman
Michael Rosenberg
Daniel Doulet

SIGNING OTHER RECOMMENDATIONS:

George Hanks - Do Not Pass
Bill Hanks - No Rec. Yet!
Paul E. Brown - Do Not Pass

[Signature]
 NCO-Chairman's signature
Nilda Koroman

HOUSE COMMITTEE REPORT

3/20

(7)

Date referred: 3/6/87

FURTHER REFERRALS: HESS
Judiciary

DATE: 3/19/87

The Labor & Commerce Committee has considered HB 170

"An Act relating to participation of municipalities, school districts, and other political subdivisions under the Public Employment Relations Act and to collective bargaining rights of school district employees."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING TO PASS:

James J. Douley

John E. Ellis

Chris Davidson

[Signature]

[Signature]

[Signature]

SIGNING OTHER RECOMMENDATIONS:

Grant [Signature] N.D.R.T.

James J. Douley

Chairman's signature

HB

174

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. JUD.

4-8-88

1:30 p.m.

1 IN THE HOUSE

BY TAYLOR BY REQUEST

2

HOUSE BILL NO. 174

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to providing alcohol to persons

7

under 21 years of age."

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. AS 04.16.051(b) is amended to read:

10

(b) This section does not prohibit the furnishing of an alco-

11

holic beverage

12

(1) by a parent to the parent's child, by a guardian to the

13

guardian's ward, or by a person to the legal spouse of that person if

14

the furnishing occurs in a private residence and if the person under

15

21 years of age who receives the alcoholic beverage does not leave the

16

residence while under the influence of the alcohol [OFF LICENSED

17

PREMISES]; or

18

(2) by a licensed physician or nurse to a patient in the

19

course of administering medical treatment.

HBI 2



City and Borough of Sitka

POLICE DEPARTMENT

304 LAKE STREET • SITKA, ALASKA • 99835

JOHN H. NEWELL
CHIEF OF POLICE

BUSINESS 747-3245
EMERGENCY 9-1-1

RECEIVED

April 3, 1987

Representative Fran Ulmer, Chairman
House State Affairs Committee
Box V
Juneau, AK 99811

Dear Representative Ulmer,

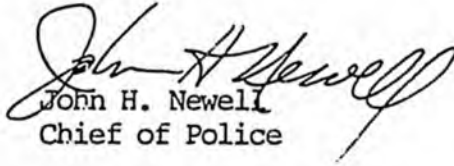
I am writing in support of House Bill No. 174.

As Chief of Police, we constantly deal with our youth being involved in alcohol related problems. I believe we should do everything we can to enforce and support the existing laws which make it unlawful for a minor to consume or possess alcohol. The exception in the current law allows a parent to provide alcohol in certain cases; however, the changes provided by House Bill No. 174 will clarify this limited opportunity, requiring the minor to remain in the privacy of their home while under the influence of the alcohol provided.

I do have some concern with the words "under the influence" as this is specifically used and defined in our DWI statutes to have a particular meaning within the law. I believe it is the intent, in Senate Bill No. 174, to be used more broadly than currently provided for in other statutes. Therefore, I would suggest some alternative language which would prohibit the minor from leaving the

residence while still having any perceptible blood alcohol level or obvious odor on their breath.

Thank you.


John H. Newell
Chief of Police

JHN/lr

cc: House State Affairs Committee
Representative Lyman Hoffman, Vice-Chairman
Representative H.A. Boucher
Representative Cliff Davidson
Representative Dave Donley
Representative Terry Martin
Representative Curt Menard
Senator Dick Eliason
Representative Ben Grussendorf
Richard Anderson, Administrator, City and Borough of
Sitka

3

Community Prevention Plan Committee
3050 Fifth Avenue
Ketchikan, Alaska 99901

January 26, 1988

Dear Representative Taylor:

For approximately eight months a group of concerned citizens have been meeting to gain a better understanding of the complaints of alcohol and drug abuse problems in the Ketchikan area. We have drafted an action-oriented community Alcohol and Drug Abuse Prevention Plan, which is currently being reviewed by a "Blue Ribbon" Task Force appointed by our area Mayors.

The draft plan is comprehensive in scope and requires the mobilization of individuals, community organizations, and governmental bodies to accomplish specified tasks. It is our belief that when these specific tasks are accomplished, the problems of alcohol and drug abuse will be significantly reduced.

The intent of this letter is to mobilize your support to accomplish a segment of this plan. For the past four weeks the committee has been reviewing proposed legislation for the forthcoming session. Of the fourteen Bills reviewed, we consider the following four to have the most significant impact when passed (in order of priority):

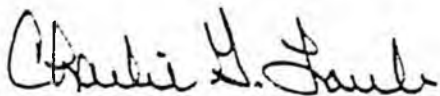
1. CS for Senate Bill No. 32 "An Act relating to marijuana".
2. House Bill No. 361 "An Act relating to suspension and revocation of a Minor's license to drive and the definition of driver's license; and providing for an effective date."
3. House Bill No. 174 "An Act relating to providing alcohol to persons under 21 years of age".
4. House Bill No. 147 "Persons under 21 years of age on licensed premises".

We also support the intent of the following bills (not in order of priority):

- a. House Bill No. 265 providing community service by and treatment for delinquent minors.
- b. House Bill No. 243 prohibiting sale and consumption of alcoholic beverage to certain individuals.
- c. Senate Bill No. 29 respecifying the open-container-in-vehicle law.
- d. Senate Bill No. 27 "An Act establishing conspiracy in the commission of certain crimes".
- e. We are also informed that a Bill has been written to require employers who furnish medical insurance to employees to include coverage for alcohol and drug treatment programs. We strongly urge introduction and passage of such Bill.
- f. CS for Senate Bill No. 3 temporary registration of vehicles and special plate for certain driving offenses.
- g. Senate Bill No. 175 combining Alcoholism and Drug Abuse Review Board and Advisory Board.

Do not hesitate to contact us if you have any questions concerning these recommendations. We feel confident that through a spirit of cooperation and a sense of single purpose we can significantly reduce the negative impacts of alcohol and drug abuse on our community and on our state.

For the Ketchikan Community Prevention Plan Committee,



Charlie G. Laub

CGL/sh



Re: House Bill #174

3/22/88

This bill is introduced because existing law allowing a parent or guardian to furnish alcoholic beverage to a minor in a private home does not spell out that once the furnishing occurred, the minor must remain in the private home or direct control of the parent or guardian until the effects of the alcohol have subsided.

I know of two cases in Ketchikan that were dismissed because the furnishing took place by a parent in a private home and the minor left the home.

I feel that should this bill not pass, the State could open themselves up to a lawsuit should a minor cause injury or damage to another while under the influence.

The State should pass this bill or be held accountable to future action.

Respectfully,

Ronald Leighton
Det Lt. ~~Ret.~~ Ronald Leighton, Retired.



FISCAL NOTE

REQUEST

Revision Date: _____ Agency Affected: Public Safety
 Title: "An Act relating to providing alcohol to persons under 21..." BRU: Alaska State Troopers
 Sponsor: Rep. Taylor Components: Detachments & CIB
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated as a result of this legislation.

Prepared by: Gayle A. Horetski, Deputy Commissioner Phone: 465-4322
 Division: Commissioner's Office Date: 3/18/88

Approved by Commissioner: *Gayle Horetski* Date: 3-18-88
 Agency: Public Safety

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

HOUSE COMMITTEE REPORT

(7)

Date referred: 3/11/87

FURTHER REFERRALS: Judiciary
Finance

DATE: 3-23-87

The State Affairs Committee has considered HB 174

"An Act relating to providing alcohol to persons under 21 years of age."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING TO PASS:

[Handwritten signatures]

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]

Chairman's signature

H B

1 7 7

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. JUD.	4-23-87	1:30 p.m.
H. JUD.	4-16-87	1:30 p.m.

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/1/87

FURTHER REFERRALS: Finance

DATE: 4-23-87

The Judiciary Committee has considered HB 177

"An Act relating to workers' compensation law concerning the second injury fund; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 177 (Jud) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signatures: Thomas D., General Barnes, John L. Taylor, McWhorter]

[Handwritten signature: Sam Carter] No Rec

[Handwritten signature]

 Chairman's signature

Introduced: 3/11/87
Referred: Labor & Commerce,
Judiciary and Finance

wo0157h

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 177

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the workers' compensation law

7

concerning the second injury fund; and providing for

8

an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

* Section 1. AS 23.30.040(h) is amended to read:

11

(h) Administration expenses of the state under this section and

12

AS 23.30.205 must [SHALL] be paid from the second injury [GENERAL]

13

fund.

14

* Sec. 2. This Act takes effect July 1, 1987.

~~\$~~ 123,000

HOUSE AMENDMENT #1

TO: HB 177

BY: COLLINS

Page 1 Line 25

ADD:
AFTER "FUND" ADMINISTRATIVE EXPENSES
SHALL NOT EXCEED 5 PER CENT OF
THE TOTAL AMOUNT OF THE FUND.

Adopted

Submit original amendment to the Chief Clerk.
It will then be numbered and duplicated.

A M E N D M E N T

Offered in the HOUSE

By Taylor

TO: HB 177

|
==

Page 1, after line 9:

Insert a new bill section to read:

** Section 1. AS 23.30.015(c) is repealed and reenacted to read:

(c) Payment of compensation into the Second Injury Fund within six months after the date of death operates as an assignment to the employer for a period of six months after payment of all rights of the deceased's representative to recover damages from the third person. If payment is not made to the Second Injury Fund within six months after the death or if the employer does not file a lawsuit against the third person within six months after making the payment to the Second Injury Fund, the Employer is thereafter subrogated to the rights of the deceased's representative in an action to recover damages against a third party. Subrogation under this subsection is limited to the amount paid by the employer into the Second Injury Fund as a result of the death.

Page 1, line 10:

Delete "Section 1."

Insert "sec. 2."

Page 1, after line 13:

Insert a new bill section to read:

"* Sec. 3. AS 23.30.015(c), as amended by sec. 1 of this Act, applies to payments made as a result of deaths occurring on or after July 1, 1987.

Renumber remaining bill section accordingly.

Alaska State Legislature

REPRESENTATIVE
PAT POURCHOT

HOUSE FINANCE COMMITTEE
COMMITTEE ON OIL AND GAS



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 276-6818
(H) (907) 338-2425

JUNEAU
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

House of Representatives

MEMORANDUM

DATE: April 2, 1987

TO: Representative Sund, Chair
House Judiciary Committee

FROM: Representative Pat Pourchot, Chair
House Finance Subcommittee - Department of Labor

SUBJECT: HB 177, Second Injury Fund

Pat

HB 177, an Act relating to the workers' compensation law concerning the second injury fund, has recently been referred to the House Judiciary Committee. It addresses an issue with which the House Finance Subcommittee on the Department of Labor has been dealing. We see this bill as a much needed piece of legislation to address operating budget shortfalls.

As you may know, the second injury fund is an integral part of the Workers' Compensation Act. It serves to encourage the employment of physically impaired persons by reimbursing employers for additional compensation that may be due when a second injury combines with a prior impairment to cause greater disability. The fund is supported by contributions from employers and insurers. It is responsible for both the statewide administration of the workers' compensation rehabilitation program and employer reimbursement of benefits paid to workers for subsequent injury claims.

HB 177 would return the fund to its pre-1981 method of paying administrative expenses from the fund itself, rather than from the general fund. The funding formula enacted in 1981 has improved the financial condition of the fund. In the Department's determination, the fund is now in a position to pay for its own administration without jeopardizing the payment of benefits for which the fund was created.

Passage of HB 177 will result in a general fund savings of \$123,300. I would encourage you to pursue passage of the bill by scheduling a hearing on it at your earliest convenience.

Thank you for your consideration.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version: HB 177
Publish Date: _____

REQUEST: _____

Revision Date: _____

Title: "An Act relating to ... the
second injury fund"

Sponsor: Governor

Requestor: House Labor and Commerce

Agency Affected: Labor

BRU: Workers' Compensation

Components: Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

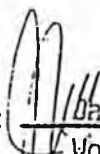
GENERAL FUND		(123.3)	(123.3)	(123.3)	(123.3)	(123.3)
FEDERAL FUNDS						
OTHER. *		123.3	123.3	123.3	123.3	123.3
TOTAL		0	0	0	0	0

POSITIONS: * = Second Injury Fund

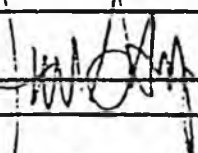
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by:  Evelyn McClintock, Director
Division: Workers' Compensation

Phone: 465-2790
Date: 3/17/87

Approved by Commissioner:  Jim Samson
Agency: Labor

Date: 3/17/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Continuation of Fiscal Note

HB 177

This legislation would allow the administrative expenses of operating the Second Injury Fund to be paid from the Fund itself rather than general funds. Thus, \$123.3 of Second Injury Fund dollars would be substituted for a like amount of general funds which are currently used to administer the Second Injury program.

The fund is supported by contributions from insurers and employers based on workers' compensation payments to injured workers and by certain penalties as provided by the Workers' Compensation Act.

The fund is used to reimburse insurers and employers who employ disabled workers under circumstances specified in the Workers' Compensation Act and for some rehabilitation costs. Adequate fund revenues are available to provide for administrative costs.

Approximate costs to administer the Second Injury Fund are as follows:

Personal Services		\$92.6
Management Analyst 75% of time	\$40.5	
Hearing Officer for approximately 12% of time	7.6	
Workers' Compensation Technician 100% of time	34.5	
Pro-rata share of clerical support	10.0	
Travel		2.7
Contractual		25.8
Communications	5.0	
Data Processing	15.5	
Printing	1.0	
Copier, postage machine, etc.	2.7	
Other (training, risk management)	.5	
Supplies		<u>2.2</u>
	Total	\$123.3

Effect of amendments. — The 1985 amendment in subsection (a) in the first sentence substituted "consists" for "shall consist" and "two southcentral panels" for "a south-central panel," deleted "nine members, including" preceding "a south-

ern panel," and inserted "each" preceding "sitting for the third judicial district"; in the second sentence substituted "must" for "shall"; and in combining the former last two sentences substituted "and" for "All panel members."

Sec. 23.30.012. Agreements in regard to claims.

NOTES TO DECISIONS

Cited in *McShea v. State*, Sup. Ct. Op. No. 2846 (File No. S-69), 685 P.2d 1242 (1984).

Sec. 23.30.015. Compensation where third persons are liable.

(a) If on account of disability or death for which compensation is payable under this chapter the person entitled to the compensation believes that a third person other than the employer or a fellow employee is liable for damages, the person need not elect whether to receive compensation or to recover damages from the third person.

(b) Acceptance of compensation under an award in a compensation order filed by the board operates as an assignment to the employer of all rights of the person entitled to compensation and the personal representative of a deceased employee to recover damages from the third person unless the person or representative entitled to compensation commences an action against the third person within one year after an award.

(c) Payment of compensation into the second-injury fund as a result of death operates as an assignment to the employer of all rights of the representative of the deceased to recover damages from the third person.

(d) An employer under an assignment may either institute proceedings for the recovery of damages or may compromise with a third person, either without or after instituting an action.

(e) An amount recovered by the employer under an assignment, whether by action or compromise, shall be distributed as follows:

(1) The employer shall retain an amount equal to

(A) the expenses incurred by the employer in respect to the action or compromise, including a reasonable attorney fee determined by the board;

(B) the cost of all benefits actually furnished by the employer under this chapter;

(C) all amounts paid as compensation and second-injury fund payments;

MY NAME IS FRANK THOMAS-MEARS AND I AM TESTIFYING ON HOUSE BILL 177 ON BEHALF OF THE WORKERS' COMPENSATION COMMITTEE OF ALASKA.

I WOULD LIKE TO THANK THE JUDICIARY COMMITTEE FOR ALLOWING OUR TESTIMONY TODAY, AND FOR YOUR EXTRA EFFORT IN SETTING UP A TELE-CONFERENCE LINK.

THE ALASKA SECOND INJURY FUND WAS CREATED TO ENCOURAGE EMPLOYERS TO HIRE HANDICAPPED AND DISABLED WORKER, AND TO REHIRE OR RETAIN THE PREVIOUSLY INJURED WORKER. THE FUND WILL PAY DISABILITY COMPENSATION TO AN INJURED WORKER AFTER THE EMPLOYER AND ITS INSURER HAVE PAID FOR THE FIRST TWENTY FOUR MONTHS OF THE WORKERS' DISABILITY BENEFITS. THE FUND DOES NOT PROVIDE FOR MEDICAL OR OTHER COSTS.

THE SECOND INJURY FUND IS FUNDED BY EMPLOYER CONTRIBUTIONS, BASED UPON A SLIDING SCALE FORMULA DEPENDENT UPON THE FUND BALANCE. CONTRIBUTIONS ARE BASED ON A PERCENTAGE OF ALL BENEFITS PAID TO ANY INJURED WORKER - EXCLUDING MEDICAL - RANGING AS HIGH AS 6% OF EVERY BENEFIT DOLLAR.

CURRENTLY, THE FUND CONTAINS APPROXIMATELY \$4,000,000. IT RESIDES SEPARATELY FROM THE GENERAL FUND.

IT IS ALSO IMPORTANT TO NOTE THAT NO BENEFITS ARE PAID FROM THE SECOND INJURY FUND TO AN INJURED WORKER. THE SECOND INJURY FUND REIMBURSES THE EMPLOYER OF ITS INSURER FOR DISABILITY PAYMENTS MADE TO AN INJURED WORKER AFTER THE FIRST FORTY EIGHT MONTHS.

MANY INEQUITIES EXIST.

1) THE HEAVIEST USERS OF THE SECOND INJURY FUND ARE NOT ITS MAJOR CONTRIBUTORS. THESE HEAVY USERS ARE GENERALLY YEAR-AROUND, PERMANENT EMPLOYERS SUCH AS THE STATE, MUNICIPALITIES AND LARGE PRIVATE SECTOR EMPLOYERS.

THE HEAVIEST CONTRIBUTORS ARE THE SEASONAL EMPLOYERS, SUCH AS CONTRACTORS, FISH PROCESSING PLANTS, MINING AND TIMBER OPERATIONS.

BECAUSE ELIGIBILITY FOR SECOND INJURY FUND BENEFITS REQUIRE AN EMPLOYER TO COMPLY WITH STRINGENT FILE DOCUMENTATION REQUIREMENTS, IT IS GENERALLY THE PERMANENT EMPLOYERS WITH LOW EMPLOYEE TURNOVER WHO CAN PROPERLY AND CONSISTENTLY DOCUMENT THEIR FILES.

2) FEW EMPLOYERS ARE AWARE THE SECOND INJURY FUND EXISTS - EVEN THOUGH THEY ARE PAYING FOR IT, LET ALONE WHAT IS DOCUMENTATION ON THEIR PART IS NECESSARY TO ACCESS THE FUND.

3) SINCE THE SECOND INJURY FUND DOES NOT PROVIDE MONETARY BENEFIT TO THE EMPLOYER FOR THE FIRST TWENTY FOUR MONTHS FOLLOWING AN INJURY, THERE IS LITTLE INDUCEMENT FOR THE EMPLOYER TO HIRE A DISABLED, HANDICAPPED OR PRE-INJURED WORKER.

4) ONCE AN INJURED WORKER QUALIFIES FOR SECOND INJURY FUND DISABILITY PAYMENTS, ANY EXPENSE INCURRED BY THE EMPLOYER OR ITS INSURER TO RETURN THE WORKER TO GAINFUL EMPLOYMENT ARE BORN SOLELY BY THE EMPLOYER OR ITS INSURER. THE SECOND INJURY FUND DOES NOT PROVIDE FOR SUCH EXPENSE AND FEW IF ANY EMPLOYERS OR INSURERS ARE WILLING TO SPEND FURTHER TIME OR MONEY. SINCE THERE IS NO INDUCEMENT OF THE INJURED WORKER TO RETURN TO WORK, MOST OF THE

Testimony

INJURED WORKERS BEING PAID SECOND INJURY FUND DISABILITY BENEFITS BECOME PERMANENT AND TOTAL DISABILITY CASES - AD INFINITUM - REGARDLESS OF HOW MINOR THEIR DISABILITY MAY BE.

5) THE WORKERS' COMPENSATION BOARD, WHO ADMINISTERS THE SECOND INJURY FUND FOR THE COMMISSIONER OF LABOR MUST ON ONE HAND BE AN ADJUDICATOR OF LAW IN ARBITRATING DISPUTES BETWEEN MANAGEMENT AND THE INJURED WORKER, AND MUST ON THE OTHER HAND REPRESENT THE INTERESTS OF MANAGEMENT IN PARCELING OUT MONEY FROM THE SECOND INJURY FUND. IT IS A POSITION WE ARE SURE THEY FIND UNCOMFORTABLE AT BEST.

6) THE FUND, A SEPERATE ACCOUNT FROM THE STATE'S GENERAL FUND, IS NOT INVESTED. CURRENT INCOME POTENTIAL RANGES FROM \$300 - \$400,000 PER YEAR. THE INVESTMENT INCOME WOULD MORE THAN PAY ALL ADMINISTRATIVE COSTS, IN ADDITION TO CLAIMS ADJUSTMENT COSTS. THE REMAINDER COULD BE PLOWED BACK INTO THE FUND.

THERE ARE OTHER PROBLEMS, BUT THESE ARE THE MAIN POINTS.

WHEN THE SECOND INJURY FUND WAS CREATED, IT WAS TO BE ADMINISTERED BY ALASKAN EMPLOYERS. FOR WHATEVER REASON, ALASKAN EMPLOYERS DEFERRED ADMINISTRATIVE RESPONSIBILITY TO THE DEPARTMENT OF LABOR WHO HAS STRUGGLED WITH THE TASK FOR MANY YEARS. IT IS PERHAPS BECAUSE OF EMPLOYERS DISINTEREST THAT THE AFOREMENTIONED PROBLEMS WITH THE FUND HAVE COME TO PASS.

ALASKAN EMPLOYERS ARE READY TO STEP FORTH AND ACCEPT RESPONSIBILITY FOR MANAGEMENT OF THE SECOND INJURY FUND. IT IS OUR MONEY - AND OUR RESPONSIBILITY.

WE DO NOT DISAGREE WITH THE INTENT OF HE 177 - IT IS CERTAINLY NOT THE RESPONSIBILITY OF THE STATE TO PAY FOR ADMINISTRATION OF EMPLOYERS' MONEY - BUT WE WOULD LIKE TO BROADEN THE SCOPE OF HB 177 BE AMENDING AS SEC 23.30.040 AS FOLLOWS:

A) (ALL PARAGRAPHS) SUBSTITUTE THE WORDS "EMPLOYERS BOARD OF TRUSTEES" FOR THE WORD "COMMISSIONER". THIS WOULD ALLOW EMPLOYERS TO ASSUME ADMINISTRATION OF THE SECOND INJURY FUND.

B) AMEND PARAGRAPH (H) TO READ ADMINISTRATION EXPENSES OF THE TRUSTEES UNDER THIS SECTION AND AS 23.30.205 MUST BE PAID FROM THE SECOND INJURY FUND.

C) AND PROVIDE FOR AN EFFECTIVE DATE OF JULY 1, 1987.

WE WOULD PROPOSE NO FURTHER CHANGES IN THE SECOND INJURY FUND STATUTES UNTIL WE HAVE HAD TIME TO ASSUME ADMINISTRATION OF THE FUND AND CAN CONTEMPLATE AND RATIFY NECESSARY CHANGES.

WE WOULD ALSO ASK FOR THE COOPERATION OF THE GOVERNOR AND THE DEPARTMENT OF LABOR, DIVISION OF WORKERS' COMPENSATION IN THIS EFFORT.

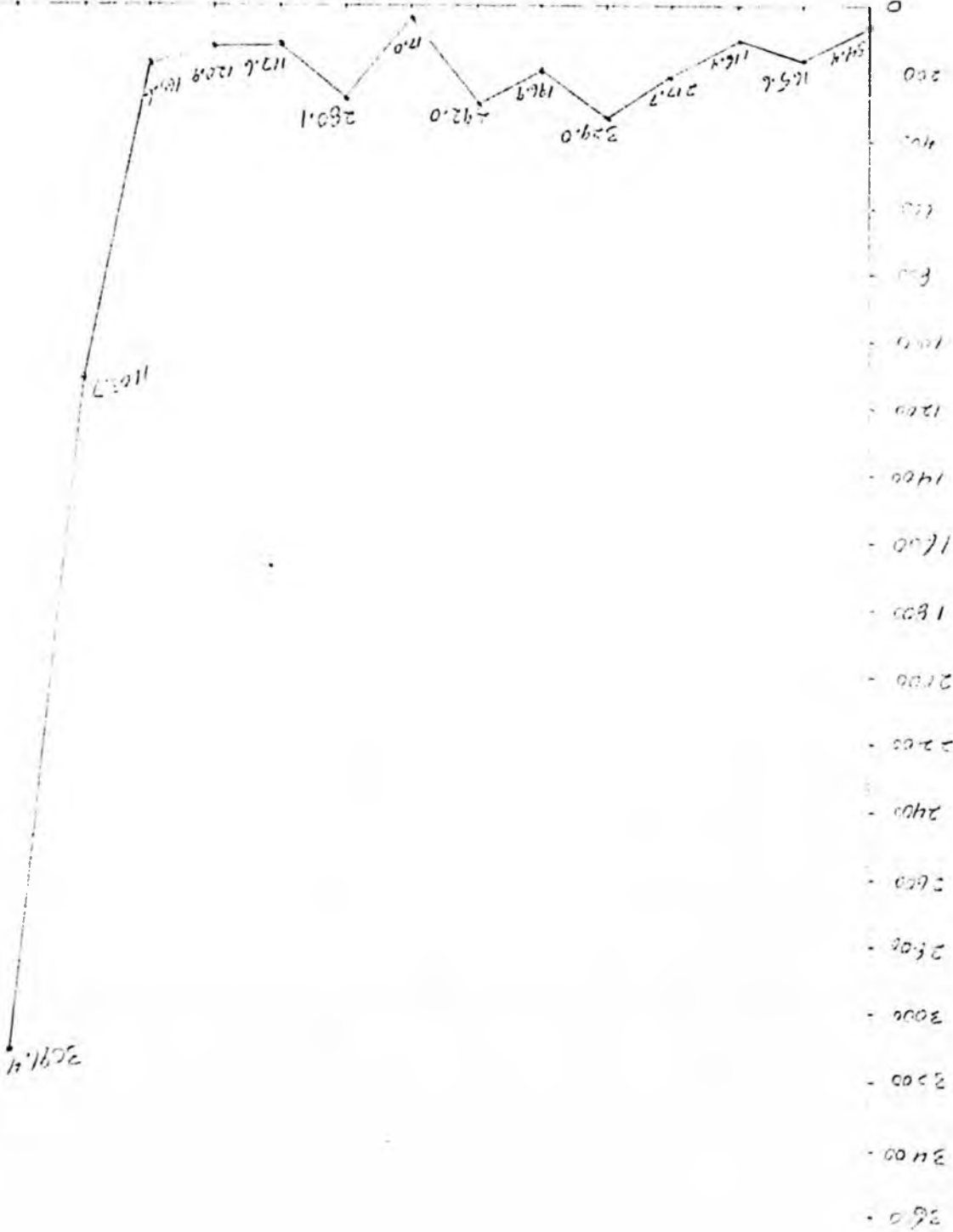
Good point

TS/MSJ

SECOND INJURY FUND BALANCE

FISCAL YEAR

73 74 75 76 77 78 79 80 81 82 83 84 85 86



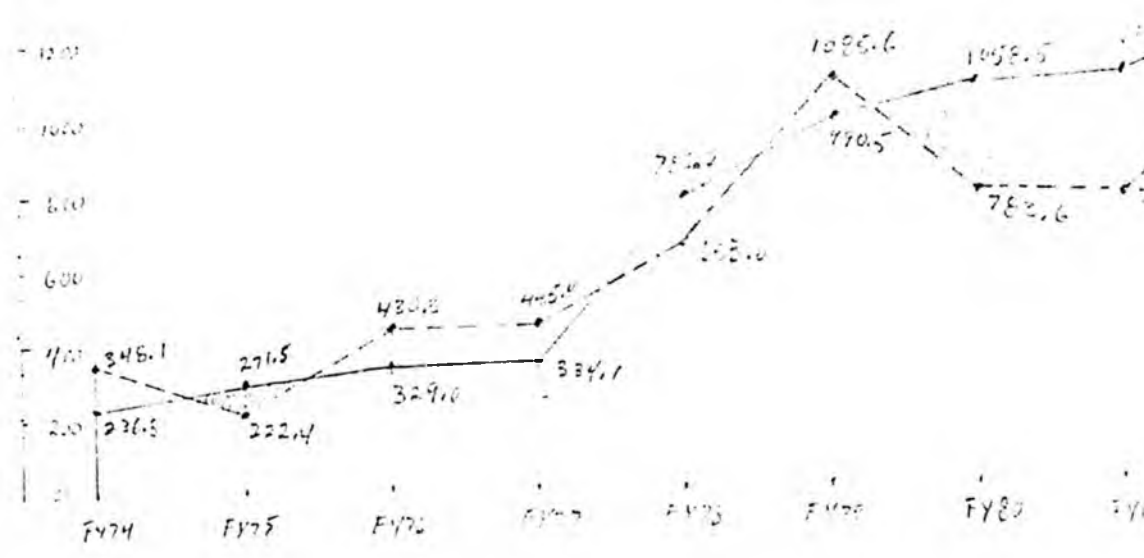
THOUSANDS

1200
 1100
 1000
 900
 800
 700
 600
 500
 400
 300
 200
 100
 0

————— EXPENDITURES

----- RECEIPTS

SHALL BE ADJUSTED TO THE YEAR



SECOND INJURY FUND

4116.3

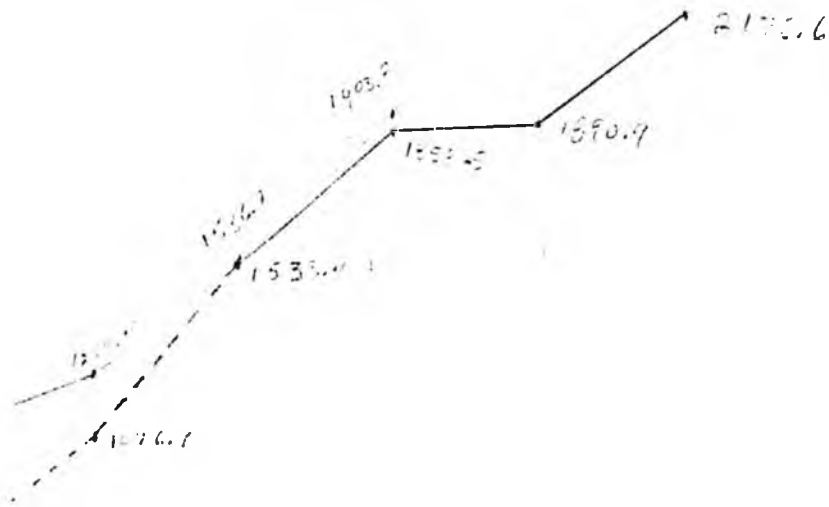
- 86 - 3091.4
- 85 - 1103.7
- 84 - 165.6
- 83 - 120.9
- 82 - 117.6
- 81 - 280.1



FY81 Suppl.

2600.0

2098



FY81 FY82 FY83 FY84 FY85 FY86